

BRIEFLY...

Highlights of Report Number: 02-06-201-03-386, to the Assistant Secretary for Employment and Training.

WHY READ THE REPORT

The National Puerto Rican Forum, Inc. (NPRF) was awarded a \$4 million Welfare-to-Work (WtW) grant. The grant required NPRF to provide transitional assistance to shift welfare recipients into unsubsidized employment, which would provide good career potential for achieving economic self-sufficiency. Further, NPRF is a not-for-profit organization whose mission is to empower Latinos and other minorities to achieve socio-economic parity through education and economic advancement. This report discusses issues surrounding costs charged to the WtW program, participant eligibility and performance.

WHY OIG DID THE AUDIT

The OIG conducted a performance audit to answer the following questions:

- Were costs reasonable, allowable and allocable to the WtW grant?
- Were participants eligible for the program?
- Were performance results measured, reported and achieved?

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to: <http://www.oig.dol.gov/publicreports/oa/2006/02-06-201-03-386.pdf>.

March 2006

WELFARE-TO-WORK GRANT – NATIONAL PUERTO RICAN FORUM, INC.

WHAT OIG FOUND

The audit found 1) costs were not reasonable, allowable, and allocable to the WtW grant, resulting in questioned costs of \$424,080. The questioned amount primarily resulted from unallocable costs, missing supporting documentation, and lack of grant officer approval for equipment purchases and leasehold improvements; 2) participants served were eligible for the WtW program; and 3) NPRF measured, reported, and exceeded its enrollment goals; however, adequate placement information was not maintained.

WHAT OIG RECOMMENDED

We recommended that the Assistant Secretary for Employment and Training 1) recover questioned costs of \$424,080; 2) ensure that NPRF implements systems to properly allocate personnel costs to final cost objectives, adequately documents costs, obtains prior approvals where required and claims indirect costs in accordance with the grant agreement and applicable Federal regulations; and 3) ensure NPRF obtains and maintains accurate performance information on current and future awards, as required by grant provisions.

In its response to the draft report, NPRF indicated that an electrical fire at the program site, subsequent moves to new locations and miscommunications impacted the availability of some required documentation. NPRF stated that it will put in measures to prevent reoccurrence of these conditions on future Federal awards; however, NPRF requested that questioned costs be waived. Further, it stated that it has no doubt the service levels reported by NPRF were correct.

Since no additional information was provided that materially affects the report, our report findings and recommendations remain unchanged.